



State of California
Board of Equalization

Offer In Compromise Application

***For
Corporations, Limited Liability Companies,
Partnerships, Trusts, and unidentified Business
Organizations***

What you should know before preparing an Offer in Compromise

Are you an OIC candidate?

The Offer in Compromise (OIC) program is for taxpayers or fee payers that do not have, and will not have in the foreseeable future, the income, assets, or means to pay their tax liability in full. It allows a taxpayer or fee payer to offer a lesser amount for payment of a **non-disputed final tax liability on a closed-out account. The Board of Equalization (Board) will not entertain an Offer in Compromise on an active account.**

Generally, we approve an Offer in Compromise when **the amount offered represents the most we can expect to collect within a reasonable period of time.**

Although each case is evaluated based on its own merit, we give the following factors strong consideration in the evaluation:

- The entity's ability to pay
- The amount of equity in the entity's assets
- The entity's present and future income
- The entity's present and future expenses
- The potential for changed circumstances
- The concealment of assets or existence of fraud

Who should use this application?

If you are making an offer as a corporation, Limited Liability Company (LLC), trust, organization, or partnership, please use this application. If you are making an offer as an individual or as an individual partner who is not representing the partnership, please do **not** use this application. You should request the Offer in Compromise package for *individuals*.

Can we process your application?

We will only process your Offer in Compromise Application if you meet the following criteria:

- You no longer have a controlling interest or association with the business that incurred the liability to which the offer applies or a related business.
- You have fully completed the Offer in Compromise Application and provided all supporting documentation.

When should offered funds be submitted?

You should submit the offered funds at the time your offer is formally considered for acceptance by the centralized Offer in Compromise Section (when the OIC specialist submits a recommendation for approval to management). You will be notified when your offered amount should be submitted. The funds will be held in the form of a noninterest bearing deposit. If your OIC is denied, the full amount of your deposit will be refunded to you, or you may choose to apply the deposit to your liability. Credit interest will not be paid to you on the deposited amount if your offer is denied and subsequently refunded.

Will we require you to continue payments on an installment payment agreement?

Yes, we will require you to continue making periodic payments as called for in any existing Installment Payment Agreement while your offer is being considered. The Board will strive to process your offer and provide a decision within 90 days of receiving a completed application and documentation. However, depending on the complexity, some offers may take longer to process.

Are collections suspended?

In most cases, collection action will be suspended until the Offer in Compromise evaluation is completed. However, submitting an offer does not automatically suspend collection activity. If delaying collection activity jeopardizes our ability to collect the tax, we may continue with collection efforts.

The following documentation must be submitted with the Offer in Compromise Application or your application may be returned as incomplete. **Please submit copies only.** We will **not** return any documentation that you send us. Additional documentation may be required and requested as the evaluation of the Offer in Compromise proceeds.

CHECK LIST OF REQUIRED ITEMS FOR THE ENTITY MAKING THE OFFER *(Check only those boxes that apply. If it does not apply, please explain.)*

Please read the required Privacy Notice (BOE-324-OIC).

☐ **Verification of Income and Expenses**

Year-to-date income and expense statements, cash flow statements, profit and loss statements, a balance sheet, and any other related documents. If entity is subject to annual audit of its financial statements, please submit audited financial statements.

☐ **Bank Information**

Bank statements for savings and checking accounts for the last twelve months. Final statement for any accounts closed within that time. Investment account statements showing the value of stocks, bonds, and mutual funds.

☐ **Current Lease or Rental Agreements**

Include all lease agreements, including property where you are the lessor or lessee.

☐ **Real Property Information**

Mortgage statements, escrow settlement statements, or copies of grant deeds for any property currently owned, sold, or gifted in the last five years.

☐ **Vehicle Information**

Copies of loan/lease statements for any vehicles.

☐ **IRS/FTB/EDD Information**

Complete copies of Internal Revenue Service (IRS) and Franchise Tax Board (FTB) returns for the past three (3) years. Please include all attached schedules. If applicable, copy of IRS, FTB, or Employment Development Department (EDD) Offer in Compromise and acceptance letter or documentation of other IRS/FTB/EDD arrangements.

☐ **Legal Documents**

Copies of judgments, pending lawsuits, trust documents, and bankruptcy documents.

☐ **Authorization to Release Financial Information to the Board of Equalization**

A form will be mailed to you if it is needed to verify financial information.

☐ **Power of Attorney**

A power of attorney is required if a designated representative submits this offer or if you want us to direct questions or requests for information to your representative. Form BOE-392, *Power of Attorney*, may be used.

If your offer is related to sales and use tax, please submit your completed and signed application to your designated compliance representative at your local district office. If your offer is related to special taxes or fees, submit your application and refer questions to the special taxes division that administers your account. If your offer is related to timber taxes, submit your application and refer questions to the Property Taxes Department. Phone numbers for the district offices, special taxes, and property taxes are located on page S5B of this application.

If you submit a deposit of the amount offered, designate the payment as an "OIC Deposit" on the face of the check and include your seller's permit or BOE account number(s). If you submit the application without the deposit, you will be notified when it is required.

Please complete all blocks, except shaded areas. Write "N/A" (*Not Applicable*) in those blocks that do not apply. Information should be typed or printed.

SECTION 1. BASIS FOR THE OFFER

The following facts and reasons are submitted as grounds for acceptance of this offer. *Attach additional pages as needed.*

SECTION 2. SOURCE OF FUNDS

If any or all of the amount being offered is from a loan, please provide the following information:

Lender's name, address, and telephone number
--

Total amount of the loan:

--

If any or all of the amount being offered is from a gift, please provide the following information:

Gift donor's name, address, and telephone number
--

Total amount of the gift:

--

Relationship to donor:

--

Describe sources of offered funds other than a loan or a gift

--

If this Offer in Compromise is denied, the Board is to:

- ☐ Retain any amount deposited and credit it to the current tax liability.
- ☐ Return the amount deposited.

SECTION 3. OFFER AMOUNT

Amount owed to the Board of Equalization:

Period(s) of
liability:

Seller's permit or BOE account number(s):

The sum of:

is offered in compromise. (The Board will instruct you when to mail the offer amount. **You are not required to send the offer amount with the application.**)

It is understood that this offer will be considered and acted upon as quickly as possible. It does not relieve the taxpayer(s) or feepayer(s) of the liability sought to be compromised until the Board accepts the offer and there has been full compliance with all agreements. The Board may continue collection activities at its discretion.

Except for any amount deposited in connection with this offer, it is agreed that the Board will retain all payments and credits made to the account for the periods covered by this offer. In addition, the Board will retain any and all amounts to which the taxpayer(s) or feepayer(s) may be entitled under the California law, due through overpayments of tax, penalty, or interest, prior to the offer being accepted, not to exceed the liability.

It is further agreed that upon notice to the taxpayer(s) or feepayer(s) of the acceptance of the offer, the taxpayer(s) or feepayer(s) shall have no right to contest in court or otherwise the amount of the liability sought to be compromised. No liability will be compromised until all obligations of each taxpayer or feepayer under the compromise agreement are completely performed.

Under penalty of perjury, I declare that I have examined the information given in this statement and all other documents included with this offer and to the best of my knowledge and belief, they are true, correct, and complete.

Signature

Title

Date

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

PROCESSING ACCEPTED OFFERS

Recommendations to accept offers will be forwarded to the Attorney General. An offer will not be forwarded without a deposit of appropriate funds. Liens cannot be released until a court judgment and satisfaction is filed with the court, which can take several months after your offer is recommended for acceptance. *If the Attorney General's Office processes the legal filings, they will send a bill directly to the taxpayer or feepayer for the court costs. If the Board's legal staff files the court documents in Sacramento Superior Court, on offers less than \$5,000.00, a separate filing fee (subject to change) must be paid by each taxpayer or feepayer named in the action.* After the satisfaction is filed with the court, the offered amount satisfies the full liability of each taxpayer or feepayer named in the action with no further collection action occurring on the compromised liability.

PROCESSING DENIED OFFERS

If we reject or deny the offer, the deposit will be refunded or applied to the liability at the request of the taxpayer or feepayer with an effective date of the date the funds were received. No interest will be granted on returned deposits. If a third party has posted the deposited amount, staff must get written permission from the third party to apply the deposit. The case will be returned to the local district office with a recommendation for case handling based on information considered during the offer process.

SECTION 4. ENTITY/ORGANIZATION INFORMATION

		Date
Name of entity/organization	Status	Secretary of State number
Address		Telephone number ()
Entity officer/director/shareholder/partner/member's name and address		Federal employer identification number (FEIN)
Telephone number ()	Title	
Authorized representative's address		
Telephone number ()		Attach power of attorney

List individuals, trustees, members, partners, shareholders, or other owners with an interest in this entity. Attach additional pages as needed.

Name of owner(s)	Percent owned	Social security and federal or Secretary of State identification number

Other related businesses. *List any of the business's affiliates or related entities' relationships. Attach additional pages as needed.*

Trade or business names	Business addresses	Telephone numbers	FEIN or Secretary of State number
		()	
		()	
		()	

SECTION 5. GENERAL FINANCIAL INFORMATION

Bank accounts (payroll, general, savings, certificates of deposit, etc.). List accounts held during the past three years. Attach additional pages as needed.

Name of institution	Address	Type	Date opened	Account number	Balance
TOTAL [Enter this amount on line 2, Section 6 (Asset and Liability Analysis)] >>					

Bank credit available (lines of credit, etc.). Attach additional pages as needed.

Name of institution	Address	Credit limit	Credit available	Amount owed
TOTAL				
TOTAL [Enter this amount on line 19, Section 6 (Asset and Liability Analysis)] >>				

Vehicles. Attach additional pages as needed.

Year, make, model, license number	Lender/pink slip holder	Current market value	Current payoff	Available equity
TOTAL [Enter this amount on line 3, Section 6 (Asset and Liability Analysis)] >>				

List any vehicles, equipment, or property sold, given away, or repossessed during the past three years.

Year, make, model of vehicle, description, or property address	Who took title or possession	Value

Securities (stocks, stock options, bonds, mutual funds, money market funds, other securities, etc.). Attach additional pages as needed.

Type	Brokerage name	Owner of record	Quantity or denomination	Current value
TOTAL [Enter this amount on line 5, Section 6 (Asset and Liability Analysis)] >>				

Judgments. Attach additional pages as needed.

Name	Case number	Date recorded	Where recorded	Payable or receivable?	Amount
TOTAL [Enter receivable amount on line 10, Section 6 (Asset and Liability Analysis)] >>					
TOTAL [Enter payable amount on line 24, Section 6 (Asset and Liability Analysis)] >>					

SECTION 5. GENERAL FINANCIAL INFORMATION (*continued*)**Real property** (*include a copy of the deed*). Attach additional pages as needed.A) Physical address and description: (*single family dwelling, multi family dwelling, lot, etc.*)

Parcel number:

Mortgage lender's name and address:

How is title held: _____

Purchase price: _____ Purchase date: _____

B) Physical address and description: (*single family dwelling, multi family dwelling, lot, etc.*)

Parcel number:

Mortgage lender's name and address:

How is title held: _____

Purchase price: _____ Purchase date: _____

C) Physical address and description: (*single family dwelling, multi family dwelling, lot, etc.*)

Parcel number:

Mortgage lender's name and address:

How is title held: _____

Purchase price: _____ Purchase date: _____

Accounts and notes receivable (*loans to shareholders, officers, partners, members, etc.*). Attach additional pages as needed.

Name	Address	Status	Date due	Amount due
TOTAL [Enter this amount on line 9, Section 6 (Asset and Liability Analysis)] >>				

Machinery and equipment. Attach additional pages as needed.

Description	Balance due	Equity in assets	Name and address of lien/note holder	Current market value
TOTAL [Enter this amount on line 11, Section 6 (Asset and Liability Analysis)] >>				

SECTION 5. GENERAL FINANCIAL INFORMATION (*continued*)**Merchandise.** *Attach additional pages as needed.*

Description	Cost	Balance due	Liquidation value	Current market value
TOTAL [Enter this amount on line 12, Section 6 (Asset and Liability Analysis)] >>				

Please provide additional information relating to the financial condition of the corporation, LLC, partnership, or trust. If "Yes" is checked, please provide dates, explanation, and documentation. Documentation should cover the last three years.

Dividend distributions	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, please list dates and amounts of 3 most recent distributions:
Court proceedings	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, provide case number and court location:
Repossessions	<input type="checkbox"/> No	<input type="checkbox"/> Yes	
Anticipated increase in income	<input type="checkbox"/> No	<input type="checkbox"/> Yes	
Bankruptcies/receiverships	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, include chapter, case number, and date filed:
Recent transfer of assets	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, please include details on disbursements of entity's assets.
Business sold	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, please provide a copy of the sales contract.
Entity officially dissolved	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, please include details on disbursements of entity's assets. Also list all disbursements during the last 6 months on a separate page.
Beneficiary to trust, estate, etc.	<input type="checkbox"/> No	<input type="checkbox"/> Yes	
Are foreclosure proceedings pending on any real estate that the entity owns or has an interest in?	<input type="checkbox"/> No	<input type="checkbox"/> Yes	If yes, please give the location of the real estate:

SECTION 6. ASSET AND LIABILITY ANALYSIS**Current assets.**

1. Cash	
2. Bank accounts/balance (from section 5)	
3. Vehicles/available equity (from section 5)	
4. Loan (from section 5)	
5. Securities (from section 5)	

TOTAL CURRENT ASSETS >>**Real property** (from section 5).*A**B**C*

Address or location	Current market value	Mortgage payoff amount	Equity
6.			
7.			
8.			

TOTAL EQUITY >>

(Column A minus Column B equals Column C)

Other assets (please include names and addresses). Attach additional pages as needed.

9. Notes/accounts receivable (from section 5)	
10. Judgments/settlements receivable (from section 5)	
11. Machinery and equipment (from section 5)	
12. Merchandise inventory (from section 5)	
13. Aircraft, watercraft (please list CF# or hull ID#)	
14. Interest in partnerships	
15. Interest in trusts	
16. Other assets (include description)	
17. Other assets	

TOTAL OTHER ASSETS >>**18. Sum total of assets (current, equity, and other)**

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Current liabilities. Attach additional pages as needed.

19. Lines of credit (amount owed from section 5)	
20. Notes/accounts payable (include description)	
21. Taxes owed to IRS (provide a copy of recent notices)	
22. Taxes owed to FTB (provide a copy of recent notices)	
23. Taxes owed to EDD (provide a copy of recent notices)	
24. Judgments (provide a copy)	
25. Other liabilities (include description)	

TOTAL LIABILITIES >>

SECTION 7. MONTHLY INCOME AND EXPENSE ANALYSIS

IMPORTANT: Please furnish the information requested below from income tax returns, as adjusted, for the past three years.

Income

	YR_____	YR_____	YR_____
26. Gross receipts from sales, services, etc.			
27. Gross rental income			
28. Interest			
29. Dividends			
30. Royalties			
31. Other income (<i>include description</i>)			
32. Other income			
33. Other income			
34. Other income			
35. Other income			
36. Other income			
37. Other income			

TOTAL INCOME >>

Expenses

	YR_____	YR_____	YR_____
38. Compensation of officers (<i>attach detailed list</i>)			
39. Net wages and salaries (including stock options, bonuses, loan payments, and cash pay-outs)			
40. Materials purchased			
41. Rents			
42. Installment payments			
43. Supplies			
44. Utilities/telephone			
45. Gasoline/oil			
46. Repairs and maintenance			
47. Insurance			
48. Taxes			
49. Other expenses (<i>include description</i>)			
50. Other expenses			
51. Other expenses			
52. Other expenses			
53. Other expenses			
54. Other expenses			

TOTAL EXPENSES >>

55. Net difference (total income less expenses)

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Your Offer in Compromise must include the following:

- Completed Offer in Compromise Application
- All required documentation to support the offer

Unless you have been otherwise directed, you must submit your offer to the collector assigned to your account. If your account is not assigned to a collector, please contact your local district office. For more specific information on the OIC process, you may contact the OIC Section at 916-322-7931.

Field Offices

City	Area Code	Number	City	Area Code	Number
Bakersfield	661	395-2880	Salinas	831	443-3003
Culver City	310	342-1000	San Diego	619	525-4526
El Centro	760	352-3431	San Francisco	415	703-5400
Eureka	707	445-6500	San Jose	408	277-1231
Fresno	559	248-4219	San Marcos	760	510-5850
Kearny Mesa	858	636-3191	Santa Ana	714	558-4059
Laguna Hills	949	461-5711	Santa Rosa	707	576-2100
Norwalk	562	466-1694	Stockton	209	948-7720
Oakland	510	622-4100	Suisun City	707	428-2041
Rancho Mirage	760	346-8096	Torrance	310	516-4300
Redding	530	224-4729	Van Nuys	818	904-2300
Riverside	909	680-6400	Ventura	805	677-2700
Sacramento	916	227-6700	West Covina	626	480-7200

For Out-of-State Accounts

Centralized Collections: 916-445-3670

Special Taxes Department

Fuel Taxes Division: 916-322-9669
Excise Taxes Division: 800-400-7115
Environmental Fees: 916-323-9555

Taxpayers' Rights Advocate

Toll-Free Phone: 888-324-2798
Phone: 916-324-2798
Fax: 916-323-3319

Property Taxes Department

Timber Tax Section: 916-445-6964
Private Railroad Car Tax: 916-327-2739

Customer and Taxpayer Services:

You can call our toll-free Information Center for answers to your general tax questions. Representatives are available to assist you Monday through Friday (except state holidays) from 8:00 a.m. to 5:00 p.m. (Pacific Time).

Toll-free number: **1-800-400-7115**

TDD service for the hearing impaired:

Visit us on the Internet at <http://www.boe.ca.gov>

From TDD phones: **1-800-735-2929**

From voice phones: **1-800-735-2922**

Questions and Answers

Q What does the Board of Equalization consider a fair offer in relation to the amount due?

A Generally, an offer will be accepted when the amount offered is more than the Board of Equalization can expect to collect within a reasonable period of time, typically from 5 to 7 years. The Board will generally give more favorable consideration to those offers that include repayment of at least the tax portion of the liability.

Q How long will it take to get a decision on my OIC?

A Generally, if we accept your offer for processing, we will have a decision to you within 90 days after receiving your offer. If your account is more complex, it may take longer than 90 days.

Q Can I make payments on the offered amount?

A No, we require full payment of the offered amount at the time the offer is submitted for acceptance.

Q Can prior payments be applied to the offered amount?

A No, prior payments are not accepted towards the offered amount. However, prior payments and the offered amount compared to the total liability are taken into consideration when evaluating your offer.

Q My IRS/FTB/EDD OIC has been accepted. Will the Board automatically approve my offer?

A No, your Board of Equalization offer will be evaluated separately from your IRS, FTB, or EDD offer.

Q If the Board of Equalization determines that my offer is not acceptable, will I be contacted?

A Yes, in most cases, we will call you to discuss your account and to determine the most appropriate resolution of your account. For example, if we determine that you have the ability to make monthly payments that will exceed the amount offered, we will work with you to establish an Installment Payment Agreement. You will always receive a written response concerning your offer.

Q Will state tax liens be released if my offer is accepted?

A Yes, we release state tax liens upon final approval, through a court judgment, of your Offer in Compromise.

Q Do I need to have someone represent me?

A No, representation is not required. An Offer in Compromise is available to all taxpayers or feepayers, whether or not they are represented. If you think you need representation, there are many tax professionals who have experience with the OIC process.

Q If my offer is rejected, can I choose to apply the deposit to my liability?

A Yes. If you choose to do so, the effective date of the payment is the date the deposit was made.

Q Will collection action be suspended while my offer is being evaluated?

A Normally yes, if we are in receipt of a substantially complete application. You will also be required to continue payments if you are currently in an Installment Payment Agreement. However, if delaying collection activity jeopardizes our ability to collect the tax, we may continue with collection efforts.

Q Where can I get a Power of Attorney, Form BOE-392?

A Many of the Board's forms and publications, including form BOE-392, can be downloaded from our website <http://www.boe.ca.gov>. If you do not have access to the internet or you prefer to speak to someone, you can contact your local district office or our customer service representatives at 1-800-400-7115.